

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
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DATE: July 2, 2007

PAYROLL LETTER #07-009
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: Don Scheppmann, Chief
Personnel/Payroll Services DivisionRE: **EXCLUDED EMPLOYEE LEAVE BUY BACK PROGRAM**

This supersedes Payroll Letter #07-008 dated April 24, 2007, and provides further instructions for requesting payments for the Excluded Employee Leave Buy Back Program. Specifically, it provides instructions for payments involving Voluntary Personal Leave time and clarifies instructions for requesting leave buy back payments via form STD. 674, Payroll Adjustment Notice. For details of the program, please reference DPA's Personnel Management Liaison (PML) memorandum 2007-010.

Departments electing to participate in the Excluded Employee Leave Buy Back Program may submit payment requests effective immediately through September 30, 2007. Per DPA, payments must be charged to the fiscal year 2006-2007 by using the April 2007 through June 2007 pay periods. Excluded Employee Leave Buy Back payments are based on the employee's hourly salary rate multiplied by the number of hours bought back. For example, the calculation for an employee whose salary full is \$4,200.00 and the State is buying back 40 hours of Annual Leave credits is as follows:

Hourly Rate (\$4,200.00/173.33 hours)	\$24.23
Annual Leave hours bought back	<u>x 40</u>
Annual Leave Buy Back Gross	\$969.20

Note: If the employee participates in the Voluntary Personal Leave Program (VPLP), the VPLP amount must be added to the hourly rate for calculations.

TAXES

Excluded Employee Leave Buy Back payments are subject to federal and state tax withholdings. Payments are also subject to Social Security and Medicare tax withholdings where applicable. Excluded Employee Leave Buy Back payments are NOT subject to retirement. The tax rates are as follows:

25%	Federal Tax (flat rate)
6%	State Tax (flat rate)
6.2%	Social Security (if applicable)
1.45%	Medicare (if applicable)

PROCESSING PAYMENTS

All payment requests should be submitted via the PIP System. Use the form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System. Please refer to PPM Section G

105 and below for form STD. 671 completion instructions and PPM Section K for PIP System instructions. Also review the PIP exceptions in PPM Sections G 045 and G 105.

Use the following Earning ID's to request Leave Buy Back payments, and manually update leave balances.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave and Vacation Buy Back	9V
Holiday Credit Buy Back	9H
Personal Holiday Credit Buy Back	9P
Personal Leave /Personal Leave 2003 Buy Back/Voluntary Personal Leave	*99

For CLAS users the Earnings ID's listed below will issue Leave Buy Back payments and update CLAS leave records.

<u>PAYMENT REQUEST</u>	<u>EARNINGS ID</u>
Annual Leave Buy Back	AL34
Holiday Credit Buy Back	HC34
Personal Holiday Buy Back	PH34
2003 Personal Leave Buy Back	*LD36
Personal Leave Buy Back	*PL36
Voluntary Personal Leave Buy Back	*PV36
Vacation Leave Buy Back	VA34

*For this Leave Buy Back Program, Earnings ID's 99, LD36, PL36, and PV36 "Cash Out" transactions will be used to issue payments.

Before keying via PIP, complete form STD. 671, items 1-3, 15-17, and 19-21 as follows:

<u>ITEM NUMBER(S)</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1-3	Pay Period	-Complete (must be April 2007, May 2007, or June 2007)
15	Earnings ID	-Complete
16	Days	-Blank
17	Hrs/Hdths	-Blank if Earnings ID = 9V, 9H, 9P -Complete if Earnings ID = 99, AL34, HC34, PH34, VA34, LD36, PL36, or PV36
19	Hourly Rate	-Blank
20	WWG/FLSA	-Blank
21	Computed Gross	-Blank if Earnings ID = 99, LD36, or PL36 -Complete if Earnings ID = 9V, 9H, 9P, AL34, HC34, PH34, PV36 or VA34

Note: Earnings ID PV36 will generate as a Payment Type 9/Suffix 9 payment. Also, the payments will not reflect hours paid on the payroll outputs (i.e., warrant register, Payroll On-Line Information System (POIS)).

FORM STD. 674 PAYMENT REQUESTS

Earnings ID's 99, LD36, or PL36 will issue as Payment Type 1(overtime). For these Earnings ID's submit a form STD. 674 to request pay only if:

1. the employee's Leave Buy Back hourly rate includes premium pays that are NOT locked-in on the employee's employment history record, or
2. the employee's premium pay is locked-in and the premium pay rate is not included in overtime payments but should be included in the leave buy back hourly rate. Please refer to the Personnel Information Exchange (P.I.E) System or the DPA Payscale for applicable pay differential information.

If an employee is off pay status during April 2007, May 2007, or June 2007, pay must be requested via form STD. 674. If payment is requested using form STD. 674, do not use the CLAS earnings ID's. Refer to PPM Section G 045 and G 105 for form STD. 674 completion instructions for requesting leave buy back payments.

Please direct questions regarding Leave Buy Back payments to the Civil Service Payroll Liaison Unit at (916) 323-3081. Questions regarding CLAS should be directed to the CLAS Hot Line at (916) 327-0756. For information regarding the Excluded Employee Leave Buy Back Program, please refer to DPA PML 2007-010.

DS:LM:PMAB